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Alabama Medicaid's effectiveness Noted in National Report

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In spite of limited resources and difficult economic times, Alabama Medicaid is effectively managing its program, according to a report issued September 30 by the Kaiser Commission on Medicaid and the Uninsured.

Alabama's Medicaid program is featured as a case study in the 119-page report, which explores how state Medicaid programs are faring as they prepare to implement health care reform. The report, "Hoping for Economic Recovery, Preparing for Reform: A look at Medicaid Spending, Coverage and Policy Trends," is the result of a 50-state survey of Medicaid agencies. The study tracks trends in Medicaid spending, enrollment and policy initiative and presents findings for Fiscal Years 2010 and 2011.

Alabama Medicaid Commissioner Carol H. Steckel, who is Chair of the National Association of Medicaid Directors, addressed the study findings from the perspective of all Medicaid directors and Alabama's perspective during the Thursday morning briefing in Washington D.C.

In the profile on Alabama, the study gave the Alabama Medicaid Agency credit for making "remarkable progress" in ensuring children's coverage and in health information technology despite economic and budget restraints.

"Alabama Medicaid has a long history of carefully managing its resources," said Commissioner Steckel. "I am especially proud of our collective ability to operate a program that focuses first and foremost on the people we serve, and that uses every tax dollar as efficiently as possible while following the federal rules and regulations under which we must operate," she said.

The Kaiser report noted that a significant number of states had to cut benefits, recipients or provider payments in order to maintain operations. It did note that Alabama's basic services program, however, was able to maintain existing benefits with extra funds provided as a result of the enhanced federal matching rate under American Recovery and Reinvestment Act (federal stimulus) program.

"The federal stimulus funds have made it possible for us to survive the past years without reductions in benefits or eligibility while freeing up General Fund dollars for other essential state services," Steckel said.

Alabama excelled during trying economic times in streamlining processes and removing barriers to enrolling children in Medicaid and AllKids, the Children's Health Insurance Program. In fact, Alabama received a federal bonus for its effective use of innovative enrollment processes.

Alabama increased enrollment of children by 39 percent. "A remarkable achievement for any Medicaid program, but especially for one frequently described as "bare bones," the report said.

The report also noted that Alabama Medicaid benefited from cost-saving measures such as additional pharmacy controls and efforts to streamline the eligibility process. In addition, the Agency has an active fraud and abuse prevention program, which combines with other administrative efforts to maximize taxpayer dollars.

Progress in Health Information Technology (HIT) was another highlight of the Alabama profile. The report cited the agency's Together for Quality transformation initiative as the jumpstart of Alabama's HIT progress. The initiative was the foundation of a statewide health information exchange that meets federal requirements for "meaningful use." As with the TFQ initiative, the state continues to work with a broad base of stakeholders in a public-private collaborative

Other highlights in the Alabama profile include:

- No reduction in benefits to clients
- Increases in hospital provider tax and nursing facility rates
- Plans to implement or expand Long Term Care consumer or community programs
- Expansion of chronic disease management program
- Pharmacy cost containment actions in FY 2010 included use of preferred drug list supplemental rebates, and reducing ingredient cost
- Express Lane Eligibility for renewals and use of existing Social Security Administration data to verify citizenship

Alabama has seen its recipient rolls increase by more than 100,000 in the last three years and expects health reform to expand those numbers even further by 2014, straining the state's resources even further.

"Implementation of health care reform while the impact of a severe recession lingers and the enhanced FMAP expires, poses major challenges to Alabama and Medicaid's resources. We must work together to address these challenges, knowing that our poorest and most vulnerable citizens need our help," Steckel said. We also acknowledge the strong support of Governor Riley and the Alabama Legislature and the coordination of work with our sister Agencies – Public Health, Mental Health and DHR, among others, in our ability to finance the services that improve healthcare for Alabama citizens.

The Kaiser Commission on Medicaid and the Uninsured provides information and analysis on health care coverage and access for low-income population, with a special focus on Medicaid's role and coverage of the uninsured. For a full copy of the report, visit the Kaiser Family Foundation website at www.kff.org